
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)
Date: JANUARY 10, 2003

Transmittal AB-03-002

CHANGE REQUEST 2515

SUBJECT: Quarterly Update of HCPCS Codes Used for Home Health Consolidated Billing Enforcement

I. GENERAL INFORMATION

A. Background:

In April 2001, CMS established via Program Memorandum (PM) the process of periodically updating the lists of Healthcare Common Procedure Coding System (HCPCS) codes that are subject to the consolidated billing provision of the Home Health Prospective Payment System (HH PPS). Services appearing on this list submitted on claims to both Medicare fiscal intermediaries (FIs) and carriers, including durable medical equipment regional carriers (DMERCs), will not be paid on dates when a beneficiary for whom such a service is being billed is in a home health episode (i.e., under a home health plan of care administered by a home health agency). Medicare will only directly reimburse the primary home health agencies that have opened such episodes during the episode periods. Note that items incidental to physician services, as well as supplies used in institutional settings, are not subject to HH consolidated billing.

A subsequent PM, AB-02-092 (Change Request 2247) published July 2, 2002, established that updates of the HH consolidated billing code list would occur as frequently as quarterly in order to reflect the creation of temporary HCPCS codes (e.g., 'K' codes). These temporary codes may describe services subject to consolidated billing in addition to the permanent list of HCPCS codes that is updated annually.

This PM is the second quarterly HH consolidated billing update for calendar year 2003. This update adds a single non-routine supply code to the list of codes subject to consolidated billing. This code was identified through additional review of the annual HCPCS update that was reflected in the first quarterly update. However, it was identified too late for inclusion in Medicare systems changes for the January quarter. Other updates for the remaining quarters of the calendar year will occur as needed due to the creation of new temporary codes representing services subject to HH consolidated billing prior to the next annual update.

The new code to be added is: A6440: Zinc Paste ≥ 3 " < 5 " w/roll

The new coding identified in each update describes the same services that were used to determine the applicable HH PPS payment rates. No additional services will be added by these updates; that is, new updates are required by changes to the coding system, not because the services subject to HH consolidated billing are being redefined.

B. Policy:

Section 1895 of the Social Security Act codifies the HH PPS.

CMS-Pub. 60AB

II. BUSINESS REQUIREMENTS

| Req. # | Requirements | Resp. |
|---------------|---|------------------|
| 2402.1 | Medicare claims processing systems must add HCPCS code A6440 to the list of codes used to enforce existing HH consolidated billing edits on claims with dates of service on or after April 1, 2003. [Systems Requirement] | CWF |
| 2402.2 | Medicare FIs and carriers, including DMERCs, must publish notification of the new code subject to HH consolidated billing, and otherwise notify their providers and suppliers of changes to HH consolidated billing as soon as possible after publication of this PM (i.e., next available provider bulletin, Web site posting). [Non-systems Requirement] | FIs and Carriers |
| 2402.3 | Medicare FIs and carriers, including DMERCs, shall direct providers and suppliers interested in an updated complete list of codes subject to HH consolidated billing to the HH consolidated billing master code list available at cms.hhs.gov/medlearn/refhha.asp . | FIs and Carriers |

III – SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A – Other Instructions:

| X-Ref Req. # | Instructions |
|---------------------|---------------------|
| | N/A |

B – Design Considerations: N/A

C - Interfaces: N/A

D - Contractor Financial Reporting /Workload Impact: N/A

E - Dependencies: N/A

F - Testing Considerations: N/A

IV – ATTACHMENT(S) N/A

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| <p>Version: Final 12-24-2002</p> <p>Implementation Date: Systems Changes: April 1, 2003; Provider and supplier notification: Beginning immediately after publication</p> <p>Discard Date: April 1, 2004</p> <p>Post-Implementation Contact: Regional Office</p> | <p>Effective Date: April 1, 2003;</p> <p>Funding: Within current operating budget</p> <p>Pre-Implementation Contact: Wil Gehne, (410) 786-6184, wgehne@cms.hhs.gov; Elizabeth Carmody (410) 786-7533, ecarmody@cms.hhs.gov and Kelly Buchanan, (410) 786-6132, kbuchanan@cms.hhs.gov;</p> |
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